

Message Text

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17

ACTION AGR-08

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-03 H-02

NSC-05 SS-15 STR-04 CEA-01 PA-01 PRS-01 /102 W

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R 080648Z MAR 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 7668

INFO AMEMBASSY OTTAWA

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STATE PASS AGRICULTURE FOR MEEKER

E.O. 11652: N/A

TAGS: EAGR, ETRD, AS

SUBJECT: CANADA DROPPED FROM DIVERSIFICATION SCHEME

1. AT A SPECIAL MEETING OF THE AMB ON MARCH 5 IT WAS DECIDED TO REMOVE CANADA FROM THE EXPORT DIVERSIFICATION SCHEME AS A MEANS OF STOPPING PRICE CUTTING ON THAT MARKET. GOC HAD COMPLAINED THAT AUSTRALIAN EXPORTERS WERE OFFERING BEEF TO CANADIAN BUYERS AT PRICES WELL BELOW THOSE PREVAILING IN THE U.S. IN ORDER TO EARN EXPORT CREDITS FOR THE U.S. MARKET. AUSTRALIAN GOVERNMENT IS HOPEFUL THAT THIS ACTION WILL SOLVE THE PROBLEM, AND AT THE SAME TIME, SATISFY CANADIAN AUTHORITIES THAT NO FURTHER ACTION IS NEEDED.

2. THE AMB WAS FORCED TO REMOVE CANADA FROM THE SCHEME AS IT HAD CONFIRMED REPORTS THAT EXPORTERS WERE DISCOUNTING THE REGULAR EXPORT PRICE ON CANADIAN BEEF SALES BY AT LEAST AS MUCH AS THE CURRENT MARKET VALUE OF EXPORT CREDITS. EXPORT CREDITS ARE CURRENTLY SELLING FOR ABOUT 5 CENTS (OR MORE) A POUND. THE CANADIANS CLAIMED THIS PRICE CUTTING WAS

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WEAKENING THE MARKET PRICES FOR BEEF AND INSISTED THAT

IMMEDIATE ACTION BE TAKEN TO STOP IT.

3. COMMENT: IT IS NOT CERTAIN IF THIS ACTION ALONE WILL SATISFY THE CANADIANS AS THEY WERE REPORTEDLY SEEKING A FIRM AGREEMENT THAT OFFER PRICES WOULD NOT BE LESS THAN 5 CENTS A POUND UNDER THE U.S. OFFER PRICES FOR COMPARABLE TYPES OF MEAT. HOWEVER, THE AMB RESISTED GIVING GOC A FIRM PRICE GUARANTEE AT THIS TIME. THE BOARD WILL ASK THE CANADIANS TO GIVE THIS NEW ARRANGEMENT A TRY BEFORE ANY FURTHER ACTION IS TAKEN.
HARGOVE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, EXPORTERS, MEATS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Film Number: D760086-1101
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Handling Restrictions: n/a
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Margaret P. Grafeld
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Review Withdrawn Fields: n/a
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